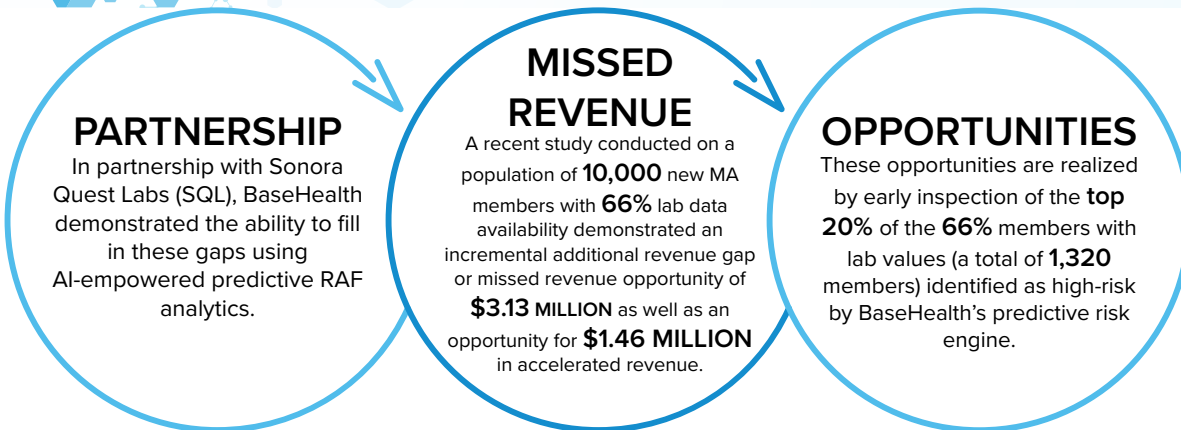


Enhancing RAF Revenue for MA New Enrollee Populations

A Case Study with Sonora Quest Labs

**SQL is a joint venture between Quest Diagnostics and Banner Health*

Every Medicare Advantage (MA) plan has new members that enroll at the beginning of the year. Such new members have limited historical claims data compared to those who have been enrolled over the past years. This data gap leads to potential gap in revenue opportunities.



WHY DOES THIS MATTER FOR MA NEW ENROLLEE POPULATIONS?

New member populations for MA plans and providers bearing down side risk have limited visibility into the risk associated compared to those who have been enrolled over the past years. The limited data availability makes it hard to identify those with high risks for Risk Adjustment and capture the relevant risk conditions. The ability to identify high risk members at the beginning of the plan year, with significant opportunity for interventional efforts and full RAF realization gives plans a significant advantage in managing the risk of new member populations and mitigates the likelihood of late or completely missed diagnoses and prospective RAF score payment.



BASEHEALTH'S UNIQUE APPROACH

By partnering with SQL, BaseHealth accessed lab data on approximately **66%** of the studied population (in this case, **66%** of the new member population in AZ), and leveraged that data to apply its predictive analytics models. There are several challenges in this analysis:

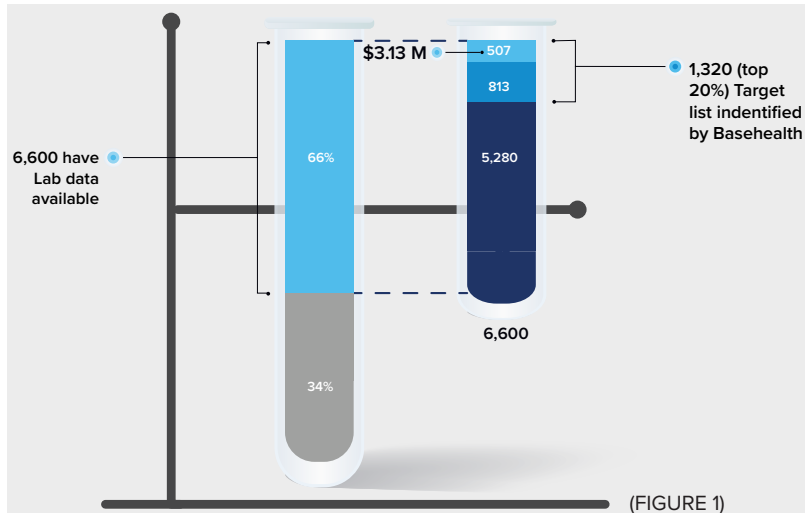
First, many individuals in MA populations intake medications, and as known, medication intake can significantly affect lab measurements.



Second, members of the new enrollee population have different levels of lab data availability. Lastly, lab data measures are sometimes highly correlated with each other. A proficient analytics system should be able to handle individuals at different levels of data and account for these correlations when developing predictive tools.

BaseHealth analytics carefully identifies the most informative lab measures and has the ability to analyze individuals at different levels of lab data availability. Also, it is designed so that it can absorb at least part of the data variability due to the effect of medication intake.





INCREMENTAL ADDITIONAL REVENUE

Of the 6,600 members with available lab data (66%), a chase list including 1,320 members were selected as candidates for early inspection. The reconciled RAF score appeared to be lower than what could have been realized for 507 members (38%) in the identified chase list. The “Missed Revenue” represented lost revenue due to unrecorded conditions that would warrant a RAF score adjustment, resulting in unrealized and uncaptured payments of about \$3.13 MILLION.

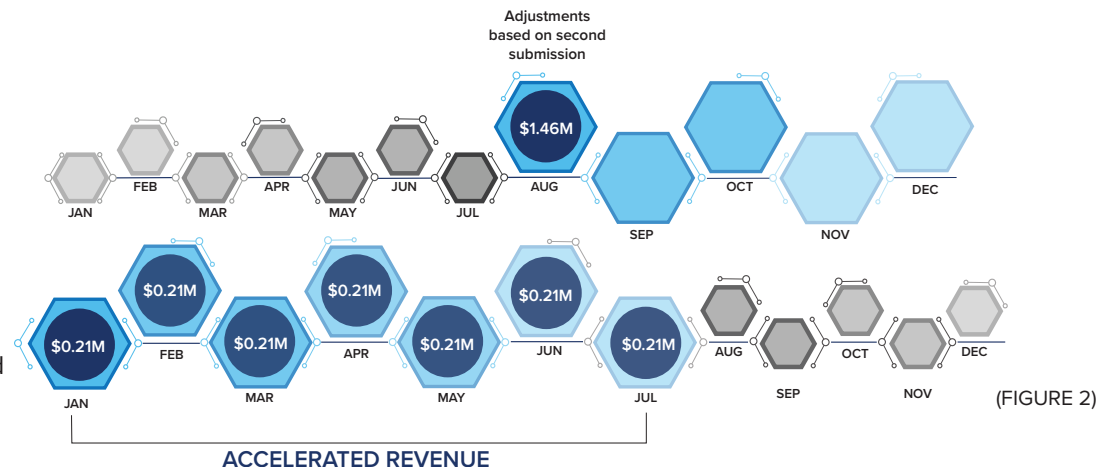
Of note, this additional revenue is the missed opportunity after leveraging revenue through the application of traditional analytics on retrospective claims.

(See FIGURE 1)

ACCELERATED REVENUE

In addition to incremental additional revenue, the study revealed \$1.46 MILLION associated with RAF score adjustments that could have been accelerated and appreciated seven months earlier. Specifically, the early prediction of RAF scores allows an opportunity to service the high-risk RAF members in the first half of the year so that their serviced claims can be submitted in the initial submission deadline during September.

As a result of this, the underlying revenue can be received at an accelerated pace starting January instead of a lump-sum amount in August as an adjustment. (See FIGURE 2)



WHY PREDICTIVE RAF ANALYTICS MATTER

In summary, BaseHealth has demonstrated the efficacy of using lab data only to identify risk and opportunities for RAF score adjustment in new member Medicare Advantage populations for whom there is insufficient medical history available through claims. As illustrated by real data for a normalized population of around 10,000 new enrollees, the revenue opportunity is huge. In reality, the scale of MA new enrollees is higher and would result in much higher revenue opportunities.

Apart from the financial benefits, the early prediction of high-risk RAF candidates can also result in additional clinical benefits. This specifically applies to lab data driven analyses where a set of risky lab measures will be identified for each of the selected members. The resulting clinical benefits include potential reduction in down-the-road healthcare costs of the members as well as better outcome measures and quality metrics.

RAF Adjustments = Revenue Optimization = Quality Healthcare!

basehealth.com/raf | info@basehealth.com